

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

FILED
U.S. DISTRICT COURT
DISTRICT OF NEBRASKA

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OFFICE OF THE CLERK

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UNITED STATES OF AMERICA,

Plaintiff,

vs.

BRENDA K. BANKS,

Defendant.

INDICTMENT

[18 U.S.C. § 1343
18 U.S.C. § 1344]

BACKGROUND

At times relevant to this Indictment:

1. Angels on Wheels, Inc. d/b/a Cross Training Center (Angels on Wheels) is a 501(c)(3) tax-exempt organization based in Omaha, Nebraska. Angels on Wheels purportedly provides vocational training and job experience for disadvantaged and undereducated youth and adults in the Omaha metropolitan area. BRENDA K. BANKS is the Executive Director of Angels of Wheels.

2. The Paycheck Protection Program:

(A) The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in March 2020 and designed to provide emergency financial assistance to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of forgivable loans to small businesses to preserve jobs by paying for certain expenses. This financial relief was referred to as the Paycheck Protection Program ("PPP"). Starting in December 2020, the PPP was renewed and the deadlines to apply were extended.

(B) To obtain a PPP loan, a qualifying business was required to submit a PPP loan application, designated as an SBA Form 2483, which was signed by an authorized representative

of the business. Applications could be submitted directly to a lender, or to an intermediary such as a loan broker that would forward the application to a lender. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) was required to state, among other things, that it was in operation as of February 15, 2020, the number of its employees and its average monthly payroll expenses. These figures, among other factors, determined the amount of money the small business could borrow under the PPP. In addition, businesses applying for a PPP loan were required to provide documents showing they were in operation during the relevant times and showing their payroll expenses.

(C) A PPP loan application was processed by a participating lender, which often was a financial institution, such as a bank, a financial technology company, such as an online lender, or a small business loan company. In the course of processing the loan, the lender would transmit data from the borrower's application, including information about the borrower, the stated number of employees and payroll figures, and the total amount of the prospective loan, to the Small Business Administration (SBA). If approved, the lender funded the PPP loan using its own monies, the repayment of which was guaranteed by the SBA, and wired the loan proceeds to the account designated by the applicant.

(D) The PPP required loan proceeds to be used only for certain business expenses, including payroll costs, mortgage interest, rent, and utilities.

3. From in or about April 2018 to in or about June 2020, BANKS perpetrated a series of fraudulent schemes resulting in awards of over \$464,000 in grant and CARES Act funds to Angels on Wheels.

5. The Grand Jury reincorporates the allegations contained in paragraphs 1 through 3 of this Indictment as if fully set forth herein.

SCHEME #1
(Wire Fraud)

6. From on or about April 5, 2018 to on or about December 18, 2019, defendant BRENDA K. BANKS devised and intended to devise a scheme to defraud the Nebraska Environmental Trust (NET) and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

7. It was part of SCHEME #1 that:

(A) Between approximately April 5, 2018, and December 18, 2019, BANKS submitted fraudulently altered documents to the NET in order to receive grant disbursements. The grants were awarded to Angels on Wheels to manage electronic collection and recycling events. BANKS submitted applications and other documents to the NET in order to obtain the grant disbursements from NET for the following grants:

<u>Grant</u>	<u>Date Ratified by NET</u>	<u>Dollar Amount</u>
18-148	4/5/2018	\$99,234
19-181	4/4/2019	\$121,000

(B) The NET required Banks to submit documentation, such as invoices or images of checks, prior to the distribution of any grant funds.

(C) In order to receive reimbursement for purported grant expenses, BANKS repeatedly submitted materially false documents, to include altered check images and fictitious invoices, to NET.

8. On or about each of the dates set forth below, in the District of Nebraska and elsewhere, the defendant:

BRENDA K. BANKS,

for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

<u>Count</u>	<u>Date</u>	<u>Transaction Description</u>
1	8/16/2018	Automated Clearing House (ACH) wire of \$31,606 disbursed by the State of Nebraska to Angels on Wheels' Great Western Bank (South Dakota) account.
2	3/5/2019	ACH wire of \$32,063 disbursed by the State of Nebraska to Angels on Wheels' Great Western Bank (South Dakota) account
3	5/23/2019	ACH wire of \$35,565 disbursed by the State of Nebraska to Angels on Wheels Great Western Bank (South Dakota) account
4	9/17/2019	ACH wire of \$30,430 disbursed by the State of Nebraska to Angels on Wheels Great Western Bank (South Dakota) account
5	12/18/2019	ACH wire of \$23,642 disbursed by the State of Nebraska to Angels on Wheels Great Western Bank (South Dakota) account

(A) The Counts listed above represent the grant disbursements paid by NET to Angels on Wheels via ACH transactions following BANKS's submissions of the fraudulent and altered documents.

All in violation of Section 1343 of Title 18 of the United States Code.

SCHEME #2
(Wire Fraud)

9. Between approximately April 2, 2018, and August 14, 2019, BANKS submitted several fraudulently altered documents to the Nebraska Department of Environment and Energy (NDEE) in order to receive grant disbursements. These grants were awarded to Angels on

Wheels to manage electronic collection and recycling events. BANKS submitted applications and other documents to the NDEE in order to obtain the grant disbursements from NDEE for the following grants:

<u>Grant</u>	<u>Date of Application</u>	<u>Dollar Amount</u>
18-1278	9/13/2017	\$53,844
19-1583	9/18/2018	\$48,597
19-1950	8/14/2019	\$81,700

MANNER AND MEANS

10. It was part of SCHEME #2 that:

(A) The NDEE required BANKS to submit documentation, such as invoices or images of checks, prior to the distribution of any grant funds.

(B) In order to receive reimbursement for grant funds, BANKS repeatedly submitted materially false documents, to include falsified check images, fictitious invoices, and unsupported payroll reports, to NDEE.

(C) BANKS fraudulently altered images of checks by “whiting out” the names of the individuals or companies that the checks had actually been paid to and writing names of other entities or organizations. Banks then presented the images of the altered checks to the NDEE so that the NDEE would believe BANKS was using NDEE grant funds for purposes that were authorized by the grant agreements, when in fact, she was not.

(D) In addition, BANKS submitted inaccurate payroll reports to the NDEE that falsely and materially represented Angels on Wheels had paid certain employees of Angels on Wheels, when in fact, it had not.

11. On or about each of the dates set forth below, in the District of Nebraska and elsewhere, the defendant:

BRENDA K. BANKS,

for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

<u>Count</u>	<u>Date</u>	<u>Transaction Description</u>
6	4/2/2018	Automated Clearing House (ACH) wire of \$16,542.82 disbursed by the State of Nebraska to Angels on Wheels Great Western Bank (South Dakota) account
7	8/26/2019	ACH wire of \$18,562.41 disbursed by the State of Nebraska to Angels on Wheels Great Western Bank (South Dakota) account
8	6/25/2020	ACH wire of \$14,139.40 disbursed by the State of Nebraska to Angels on Wheels Great Western Bank (South Dakota) account

(A) The Counts listed above represent the grant disbursements paid by NDEE to Angels on Wheels via ACH following BANKS' submissions of the fraudulent and altered documents.

All in violation of Section 1343 of Title 18 of the United States Code.

SCHEME #3 – COUNT 9
(Bank Fraud)

12. Beginning in March 2020 and continuing to and including May 2020, BANKS submitted materially false information to Great Western Bank to open a new bank account and to apply for a PPP loan, all purportedly done on behalf of Angels on Wheels.

MANNER AND MEANS

13. It was part of SCHEME #3 that:

(A) On or about March 27, 2020, BANKS submitted to Great Western Bank meeting minutes which falsely and materially represented that the Angels on Wheels Board of Directors met in February 2020 and approved the opening of a new Great Western Bank account. Great Western Bank thereafter opened two business checking accounts in the name of Angels on Wheels.

(B) On or about April 27, 2020, purportedly acting on behalf of Angels on Wheels, BANKS submitted a PPP loan application (SBA 2483) to Great Western Bank, a participating lender for purposes of PPP loan disbursement.

(C) Among the supporting documents submitted by BANKS as part of the PPP loan application was a Corporate Resolution that falsely represented that on April 21, 2020, all members of the Angels on Wheels Board of Directors met and voted to appoint BANKS as the representative authorized to apply for the PPP loan on behalf of Angels on Wheels.

(D) On May 11, 2020, \$60,420 of PPP loan funds were disbursed and were deposited into the Great Western Bank business checking account XXXX0490 opened as a result of the fraudulent meeting minutes submitted by BANKS.

14. On or about April 27, 2020, in the District of Nebraska and elsewhere, the defendant,
BRENDA K. BANKS,
did knowingly attempt to execute the scheme and artifice described above to obtain moneys, funds, credits, asset, securities, or other property owned by, or under the custody or control of Great Western Bank, a federally insured financial institution, by means of materially false and fraudulent pretenses, representations, and promises.

In violation of Title 18, United States Code, Section 1344(2).

A TRUE BILL: / /

FOREPERSON

The United States of America requests that trial of this case be held at Omaha, Nebraska, pursuant to the rules of this Court.


CHRISTOPHER L. FERRETTI
Assistant U.S. Attorney